

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

SCOUT.COM, LLC and SCOUT
PUBLISHING, LLC,

Petitioners,

v.

OUINSIDER.COM,

Respondent.

CASE NO. C07-1116RSM

ORDER GRANTING
MOTION TO COMPEL
ARBITRATION BEFORE
JDR

This matter comes before the Court on petitioners' Motion to Compel Arbitration and respondent's related Motion to Stay Decision. (Dkts. #2 and #12). Petitioners argue that the terms of the arbitration agreement at issue are clear, and those terms compel arbitration with Judicial Dispute Resolution ("JDR"). Respondent argues that this Court lacks jurisdiction to determine petitioners' motion, and asserts that it is up to the arbitrator to determine jurisdiction. Respondent further moves the Court to stay any decision on petitioners' motion while it seeks clarification of a recent ruling from the arbitrator regarding the issue of who has the right to decide the matters raised by petitioners.

On May 11, 2007, respondent initiated an arbitration proceeding against petitioners through the American Arbitration Association ("AAA"). Petitioners and respondent both appear to agree that on or about August 12, 2004, they entered into a Network Affiliate

1 Agreement. The arbitration clause in that agreement specifically stated that any dispute or claim
2 arising out of or in connection with the agreement would be settled through arbitration, and that
3 the arbitration would be administered by Judicial Dispute Resolution of Seattle. The parties also
4 entered into a magazine Licensing Agreement containing a similar arbitration clause. Petitioners
5 assert that the claims raised in the pending AAA complaint filed by respondent are clearly
6 connected to the Network Affiliate Agreement and Licensing Agreement, and therefore the
7 parties are required to arbitrate through JDR, not AAA. Respondent asserts that the agreement
8 is not that clear, there is an issue of contract interpretation which this Court may not decide, and
9 the AAA is an appropriate forum.

10 Petitioner has now moved for an Order directing respondent to dismiss its AAA complaint
11 and, should it choose to initiate arbitration again, compelling it to initiate such arbitration before
12 JDR as required by the Network Affiliate and Licensing Agreements. As noted above,
13 respondent opposes the motion, and also asks the Court to stay any decision on petitioner's
14 motion until the arbitrator has clarified whether a recent decision was intended to defer to this
15 Court the issue of who can decide jurisdiction.

16 Having reviewed the related motions, the oppositions thereto, and the remainder of the
17 record, the Court hereby finds and ORDERS:

18 (1) For the reasons set forth in petitioners' briefing, the Court agrees that it has
19 jurisdiction to enforce the arbitration clauses at issue, and agrees that AAA is not the proper
20 forum for arbitration between the parties. Accordingly, petitioners' Motion to Compel
21 Arbitration (Dkt. #2) is GRANTED. Respondent is DIRECTED to immediately take all
22 reasonable steps to withdraw its petition before the AAA, and, if it chooses to continue with
23 arbitration, may do so only before JDR.

24 (2) For the reasons set forth in petitioners' briefing, the Court does not find good cause
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1 to stay a decision on petitioners' pending motion while respondent seeks clarification from the
2 AAA arbitrator on the "who should decide" issue. Nor is it appropriate for this Court to
3 consolidate any actions before the AAA as respondent requests in light of the fact that there are
4 no other actions that appear to be pending in that forum. Accordingly, respondent's Motion to
5 Stay Decision (Dkt. #12) is DENIED.

6 (3) This case is now CLOSED.

7 (4) The Clerk is directed to send a copy of this Order to all counsel of record.

8 DATED this 30th day of August, 2007.

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10 RICARDO S. MARTINEZ
11 UNITED STATES DISTRICT JUDGE
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